GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4752
ANSWERED ON:24.08.2000
COMPETITION COMMISSION OF INDIA
SULTAN SALAHUDDIN OWAISI

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether attention of Government has been drawn to the news item captioned `Competition panel to impose strict vigil on Mega corporate deals` appearing in Hindustan Times dated July 31, 2000;

(b) if so, whether Raghavan Committee identified Rs. 5000 crore assets as sole criteria for scrutinizing mergers and acquisitions and joint ventures;

(c) if so, the details thereof;

(d) whether the Government propose to set up Competition Commission of India (CCI) to scrutinise the corporate acquisition, amalgamation and joint ventures involving assets worth 5000 crore or Rs. 15000 crore as turn over;

(e) if so, the details thereof; and

(f) the time by which this Commission is likely to be set up?

Answer

THE MINISTER OF STATE INFORMATION AND BROADCASTING AND LAW, JUSTICE & COMPANY AFFAIRS (SHRI JAITLEY)

(a) : Yes, Sir.

(b) to (f): The High-Level Committee on Competition Law headed by Shri S.V.S. Raghavan has inter-alia recommended the setting up of an independent authority to be called the Competition Commission of India (CCI).The Committee has also recommended that there should be a Mergers Commission which should be part of the CCI and that the Mergers Commission should look into corporate mergers/amalgamations from competition angle by way of pre-merger scrutiny.

The Committee has recommended that all mergers/amalgamations exceeding the threshold limit should be notified in advance to the CCI/Mergers Commission. The threshold limit suggested by the Committee is Rs. 500/- crores assets in the case of a single merged entity or Rs. 2,000/- crores in the case of a group in terms of combined assets after merger.

The Government has circulated the Report among the general public, the State Governments/Union Territories and the Central Ministries/Departments and has sought opinions and suggestions. The Report has also been placed at the website of the Department of Company Affairs at http://www.nic.in/dca

The Government would take a final view on the matter on the basis of feed-back received from all concerned.